

## **complaint**

Mr and Mrs G complain about charges applied by Barclays Bank Plc when they experienced financial difficulties and used the reserve facility on their account. They want compensation for the stress caused to them by these charges and the closure of their account, as well as the threatening letters they say Barclays has sent them.

## **background**

Mr and Mrs G are unhappy that charges were applied when they used the reserve facility on their account. Mrs G complained about this and asked to have the reserve facility removed. Soon after Barclays closed the account. Mr and Mrs G say Barclays closed their account because without the reserve it would not have been able to extract more charges from them. Mr and Mrs G are also unhappy with the correspondence they have received from Barclays concerning these matters. They say it has caused them a lot of stress. They also say that they have offered to pay £5 each month towards settling their outstanding debt to Barclays but Barclays has refused to accept this. Finally they say they have received threatening letters from Barclays and are being harassed by debt collectors. They want the collection process to stop and for Barclays to compensate them for the harassment as well as the stress caused by the charges.

Barclays responded to say all fees and charges were applied correctly and in accordance with the terms and conditions of the account. It says that the account was closed and moved to collections when the outstanding debit balance was not settled by Mr and Mrs G. It says it has followed its own procedures with regards collection and recovery of the debt and should not be required to pay any compensation for closing the account. It has however, credited Mr and Mrs G's account with £135, being £100 for the distress and inconvenience caused by delays in handling their complaint and £35 for Mrs G's costs of making phone calls when she was unable to use a branch phone to discuss her complaint with bank staff.

The adjudicator did not recommend that this complaint should be upheld. She concluded that Barclays was not at fault in applying the charges, in closing the account or in attempting to enforce the repayment of the debt. She considered that Barclays had closed the account because it was overdrawn without a reserve facility and that in closing the account it would prevent Mr and Mrs G from suffering further charges. She was satisfied Barclays had treated Mr and Mrs G in a positive and sympathetic manner given the financial difficulties they were facing. She noted it had made provision to advise them to seek assistance from a debt advisory charity and had allowed them to withdraw almost £200 despite their account being overdrawn. She considered the compensation Barclays had paid for Mr and Mrs G's distress and inconvenience in relation to the handling of their complaint to be fair and reasonable.

Mr and Mrs G have since told us they incurred travel expenses coming back to the UK due to Barclays' errors and that they suffer from medical conditions that Barclays should have taken into account and accommodated. The adjudicator could not comment on the medical issues as Mr and Mrs G had not raised this first with Barclays. She did not consider that any compensation should be paid for travel expenses as Barclays was not at fault in applying the charges or closing the account and should not be held responsible for those subsequent expenses.

Mr and Mrs G did not agree so their complaint has been passed to me.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have sympathy with Mr and Mrs G and can see that they are upset and frustrated at the charges that have been applied and the subsequent events concerning the closure of their account.

As the adjudicator explained, the Financial Ombudsman Service has no authority to intervene in relation to bank charges and fees so long as they have been correctly applied. Having regard to the terms and conditions of Mr and Mrs G's account I am satisfied that Barclays is not at fault. I consider the charges that were applied when the reserve facility was used, while they seem onerous to Mr and Mrs G, were applied in accordance with the terms and conditions of the account. As a result Barclays is not required to do anything in relation to those correctly applied charges or the stress that may have been caused to Mr and Mrs G as a result.

I note that when Mrs G complained about the charges, she had the reserve on the account removed. Barclays subsequently closed the account. However, I do not agree with Mr and Mrs G that this was a punitive action intended as a consequence for Mr and Mrs G having the reserve removed. Rather I am satisfied that Barclays closed the account to prevent any further charges arising if Mr and Mrs G used it to make further withdrawals. Such withdrawals would have resulted in even more charges arising as the reserve facility was no longer in place. I think by the time the account was closed it was clear to Barclays that Mr and Mrs G were facing difficulties in repaying the overdrawn amount. In closing the account and preventing any further charges from being applied I think Barclays was following its own internal procedures as well as attempting to treat them in a positive and sympathetic manner, given their circumstances. Overall I think the closure of the account was a reasonable course of action.

Turning to the enforcement of the debt, I can see that Barclays has written to Mr and Mrs G on a number of occasions and that they have also received letters from debt collectors and bailiffs. While this has felt threatening to Mr and Mrs G, I am afraid that I do not consider the language or tone of those letters to have been unreasonable. I do not consider that Barclays is at fault in writing to them to seek the repayment of the outstanding sum.

I can see that no agreement has been reached as to the amount that Mr and Mrs G could repay. I accept Mr and Mrs G say they offered to pay £5 a month but Barclays would not take this. I also note that Barclays has said it initially agreed to take £40 a month but the arrangement was cancelled by Mr and Mrs G. It has also said that before the account was closed an arrangement to pay £60 a month was never actioned by Mr and Mrs G. In all the circumstances, I do not find evidence that Barclays has acted unreasonably or refused to negotiate a repayment plan. I note that in its Final Response letter to Mr and Mrs G, Barclays said they could contact the recoveries department to discuss repayment plans.

Finally, I can see that Barclays has accepted that it could have handled Mr and Mrs G's complaint better. It has acknowledged there were delays in dealing with their complaint as well as issues with Mrs G using the free in-branch telephone service. I can see Barclays has paid Mr and Mrs G £100 to compensate them for this poor service as well as £35 to reimburse Mrs G for the costs of her phone calls. In all the circumstances I consider this to be fair and reasonable, and in line with awards made by this service in similar situations.

Overall, like the adjudicator I consider Barclays has treated Mr and Mrs G in a positive and sympathetic manner given their circumstances. I can see it is amenable to agreeing a repayment plan, has accepted that it provided disappointing service in relation to its handling of this complaint and has paid a reasonable amount of compensation in respect of this.

Mr and Mrs G have also told us they incurred expenses and debts returning to the UK to open other accounts after Barclays closed their account. They have also said that they suffer from medical conditions that mean Barclays should have treated them with greater sympathy. While I feel for Mr and Mrs G, I do not find that Barclays can be responsible for their travel expenses incurred following the closure of the account. Like the adjudicator I do not consider that I can reach a view as to whether Barclays should have treated them differently in light of their medical conditions as this issue has not been raised with Barclays to date.

I accept that Mr and Mrs G have been facing a number of challenges and that my decision will be disappointing to them. I would recommend that they consider seeking assistance from one of the UK's debt advisory charities or a citizen's advice bureau going forward.

**my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to Mr and Mrs G to accept or reject my decision before 26 March 2015.

Zoe Copley  
**ombudsman**